

A medical appliance is defined as an item which is intended by its manufacturer for use in directly substituting for a malfunctioning part of the body. See 86 Ill. Adm. Code 130.310(c). (This is a GIL.)

January 5, 2001

Dear Xxxxx:

This letter is in response to your letter dated November 3, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's Web site at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We are writing this request to you in hopes of obtaining clarification on certain tax matters particular to the following taxpayer:

**TAXPAYER NAME/ADDRESS**

COMPANY is a company that sells and installs stairway chairlifts, stairway wheelchair lifts, and residential elevators. Below is a brief description of each:

- **Stairway Chairlifts (Stairlifts, stairway lifts, stairway elevators)**  
These devices are attached permanently to a homeowner's stairway and are designed so that the user sits on the lift and travels up the stairway. The 'tracks' must be custom fit to the stairs. Usually there is no other construction required to allow for the installation of the lift, but if there is, that work is typically done by another contractor under a separate contract. (i.e. installation of an electrical outlet)
- **Stairway Wheelchair Lifts (Inclined wheelchair lifts, inclined platform lifts)**  
These devices are attached permanently to homeowner's stairway and are designed so that the user can travel up the stairway while remaining seated in their wheelchair. The 'tracks' must be custom fitted to the stairway. Usually there is no other construction required to allow for the installation of the lift, but if there is, that work is typically done by another contractor under a separate contract.
- **Vertical Wheelchair Lifts (Vertical platform lift, chairlift, handicapped lift)**  
These devices are intended for use by wheelchair users to travel between levels in a home and are usually installed in one of two ways:

- a. Installed within the home, enclosed in 4 walls very much like an elevator. Usually extensive remodeling is required to make space for the lift. This remodeling is done under separate contract.
- b. Installed on the outside of the home usually adjacent to a porch, deck or outside wall of the home, through which a new door has been installed to access the lift. While not as extensive as an inside lift, this type of installation still required a concrete pad, sidewalk, electrical service and carpentry for the deck, porch or wall to accept the lift's gate or door. The carpentry, electric and concrete work is typically done by another contractor under a separate contract.

- **Residential Elevator**

These devices are installed within a home, enclosed in 4 walls (hoist way or shaft). The contracting work required to build the elevator shaft is done under a separate contract. The user may be handicapped or the device may be installed as an amenity.

They also sell electrical motor scooters without any installation involved. Below is a brief description.

- **Scooters (Electrical Scooters)**

These devices are purchased by consumers to allow them to have mobility without having to walk. Although Medicare pays for scooters in some rare cases, we do not accept Medical claims, so consumers are purchasing them from us for cash. Though some do have doctor's prescriptions, most do not. Some scooters are used mostly for indoor mobility, others for outdoors and some for both.

All of the above items are to assist persons with various mobility handicaps.

The items installed are attached or affixed to real estate. Some are easier to install than others. Items more involved are subcontracted out to others for installation.

**Question 1**

Does this taxpayer qualify as a construction contractor for Sales and Use Tax listed on page 9 of ST-19 Retailers Tax Booklet issued 9/1997?

**Question 2**

If the taxpayer qualifies as a construction contractor, how does he report the Sales and Use Tax for the sales of the scooters, which are not affixed to real estate?

I trust that I have supplied you with enough information to base an opinion on the matter involved. Should you need anything else, please feel free to contact me.

Thank you in advance for your help and consideration on this matter.

In your letter you inquired as to the taxable status concerning a variety of medical items. After reviewing your letter, the Department of Revenue discovered an identical inquiry that was recently made. We have enclosed a copy of that letter for your review.

In regard to the electric scooters, the Department of Revenue requires more information be provided concerning the individual use and character of these items before an opinion can be rendered.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Shane McCreery

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Enc.